Oracle FLEXCUBE General Ledger
Oracle FLEXCUBE Universal Banking
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FINANCIAL SERVICES

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1. About this Manual

1.1 <u>Introduction</u>

This Manual is designed to help you quickly get acquainted with the Oracle FLEXCUBE General Ledger (FGL) system of Oracle FLEXCUBE.

It provides an overview to the module and takes you through various steps involved in setting up FGL structure, Maintenance of system accounts and processing of FGL entries.

Besides this User Manual, you can find answers to specific features and procedures in the on-line help given under Help Contents in the Help Menu of the software. You can obtain further information specific to a particular field by placing the cursor on the relevant field and striking <F1> on the keyboard.

1.2 <u>Audience</u>

This manual is intended for the following User/User Roles:

Role	Function
Operations	To define the FGL structure
Operations Managers/Officers	Authorization functions
Financial Control	To generate reports on FGLs
MIS Operators	Generation of reports

1.3 <u>Organization</u>

This Manual is organized into the following chapters:

Chapter 1	*About this Manual* – Gives information on the intended audience. It also lists the various chapters covered in this User Manual.
Chapter 2	*Oracle FLEXCUBE General Ledger —An Overview* is a snapshot of the features and functionality that the module provides.
Chapter 3	*Maintaining General Ledger Parameters* – Comprehends the steps involved in maintaining various parameters for Oracle FLEXCUBE general ledgers.
Chapter 4	*Setting up the Chart of Accounts* - Details the procedure to set up a GL structure for your bank.
Chapter 5	*System Accounts* – Comprehends the process of setting up system accounts and help you get a break up of the GL balances which provide the details on the various attributes of each transaction.
Chapter 6	*Processing FGL Entries* - Details out the steps involved in the process of posting

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	entries and the role of FGL in easing the task.

1.4 <u>Conventions Used in this Manual</u>

Important information is preceded with the symbol.

1.5 <u>Glossary of Icons</u>

This User Manual may refer to all or some of the following icons.

Icons	Function
✖	Exit
➕	Add row
➖	Delete row
🔧	Option List

1.6 <u>Related Documents</u>

- The Oracle FLEXCUBE Operations User Manual

- The Oracle FLEXCUBE Core Services User Manual

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2. Oracle FLEXCUBE General Ledger - An Overview

2.1 Introduction

Oracle FLEXCUBE General Ledger (FGL) system is the pillar on which various functional components of Oracle FLEXCUBE rest. Through this single entity you can consolidate and maintain balances and turnovers of all types of accounts your bank holds. In addition, this module helps you retrieve the information on the FGLs maintained for your bank.

FGL is a standalone general ledger system with the ability to define chart of accounts. You may also use this module to keep a complete track of the ledger balances of your organization.

You need to create FGL structure at the bank level and maintain the same at different branches. This structure helps you consolidate the GL balances and turnovers across modules and products. You may further retrieve relevant information on the same online.

2.2 Features of Oracle FLEXCUBE General Ledger

Flexible GL structure

Based on various types of accounts that you maintain at your bank, GLs have been classified into the following categories:

- Asset
- Liability
- Contingent Asset
- Contingent Liability
- Income
- Expense
- Position
- Position Equivalent

A Head GL can be assigned any of the above categories. Two Head GLs can have the same category. All GLs that fall under a Head GL will essentially belong to the category defined for the Head. Each category can have any number of GLs under it, but the category allocated to a GL should be assigned at the head of any GL stream. All nodes and leaves by default take the category of the Head GL to which they report. At no other level, you can assign a category.

Leaf GLs are merely points of contact through which all entries are passed to the nodes. It is at the nodes that consolidation of all accounting takes place. Therefore, any specification like the Currency type or GL type though specified at the leaf GL will be applicable only for the respective node of that leaf. Peripheral activities like linking a customer account to a GL or posting to a GL can be done only at the leaf.

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All your profit and loss entries can be passed in LCY only, however, for reporting purposes you can also maintain a record of these in any FCY or even in all currencies. This makes it possible to have multi-currency GLs. Along with this, revaluation of currencies has also been provided.

3. Maintaining General Ledger Parameters

3.1 Introduction

In Oracle FLEXCUBE, you can maintain GL parameters using 'General Ledger Parameters Maintenance' screen. You can invoke the General Ledger Parameters Maintenance' screen by typing 'EGDGLPRM' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.
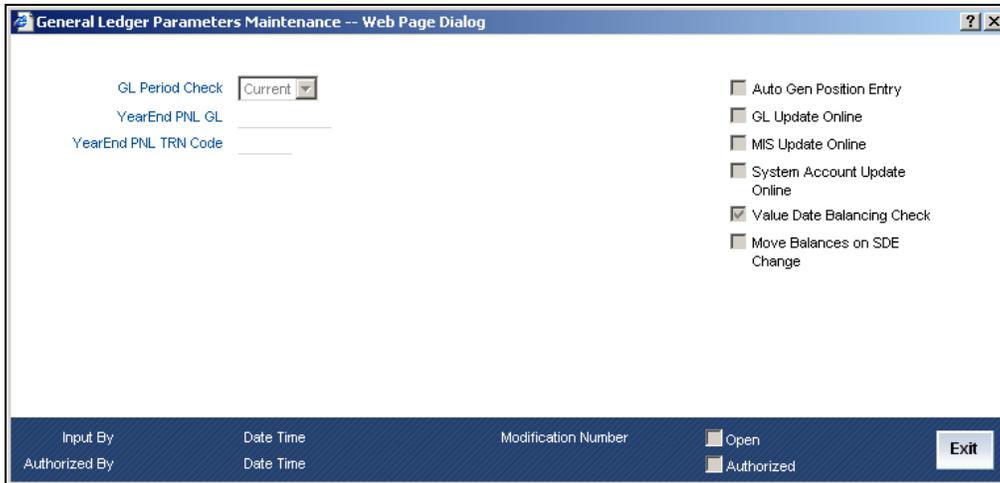
Here, you need to specify the following details:

GL Period Check

You can set GL period check to 'All' or 'Current'. Based on your selection, the system checks for debit-credit mismatch in the balances of the financial periods. If you select 'All', the system runs the check for all period. Similarly, if you select 'Current', the system runs the check for the current period alone.

Year End PNL GL

Specify the code that identifies the Year End PNL GL. The system uses the said GL for PNL transfer at the end of the year. All balances in Income and Expense GLs will be moved to the selected GL in financial period FIN of every financial cycle.

Year End PNL TRN Code

Specify the transaction code to be used while passing PNL entries at the end of the year.

Auto Gen Position Entry

You may opt for position accounting in general ledger by checking this option. If you check this, the system will proceed with position accounting and generate the accounting entries.

GL Update Online

If you check this option, the system will update the GL balances regularly by default. However, you may push this activity to the end of the day by unchecking this option.

MIS Update Online

If you check this option, the system will update the MIS balance online. However, you may push this activity to the end of the day by unchecking this option.

System Account Update Online

The system updates the system accounts by default. However, you may push this activity to the end of the day by unchecking this option.

Value Date Balancing Check

If you check this option, the system will check for date wise currency debit / credit balance mismatches during EOD processes. In case of mismatch, the system will display an error.

Move Balances on SDE Change

There can be cases wherein, a change in the transaction attributes or MIS cause a change in the system accounts associated with an entry. Under such circumstances, if you have checked this option, the system will adjusts the accounting entries posted for that particular transaction.

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4. Setting up the Chart of Accounts

4.1 Introduction

Oracle FLEXCUBE supports a multilevel structure for your bank's Chart of Accounts. You can create broad groups of accounts in the categories of assets, liabilities, income, expenses, etc., and further divide these groups into several levels. The groups at each of these levels are referred to as GLs. However, there is no limit to the number of levels that can be maintained in the hierarchical structure of GLs. In Oracle FLEXCUBE, you may create a GL structure as follows:
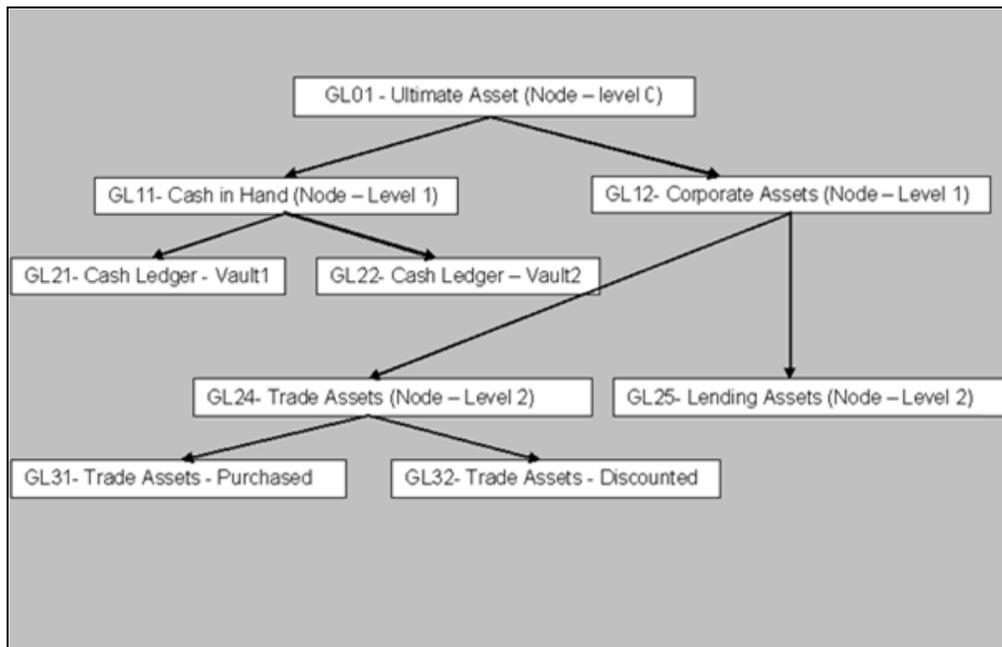
4.2 Maintaining Chart of Accounts

You can maintain a multilevel GL structure using the 'Chart of Accounts Maintenance' screen.

To define the details of a new GL, select New from the Actions Menu or click new icon on the toolbar.

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GL Code

In Oracle FLEXCUBE, a GL is identified by a code. Enter a unique code to identify the GL that you are creating. The length and composition of the code depends upon the GL Mask defined in the 'Bank-wide Parameters' Screen. The code that you enter can have a maximum of nine alphanumeric characters.

Description

You can enter a brief description of the GL in this field. You can use this description for the internal reference of your bank.

Level

Oracle FLEXCUBE GL can be created in two levels:

- Node GL

- Leaf GL

A Node GL is one that reports to another GL and has other GLs reporting to it. In the reporting relationship, if a GL reports to another GL, but no GLs report to it, then it is a Leaf GL. A *Head* GL is a Node that does not report to another GL.

The 'Chart of Accounts Maintenance' screen is designed with *four tabs*.

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- *General Ledger Details* — Under this tab, you can set up a GL, indicate its type, set the restrictions and define the debit and credit reporting lines.

- *GAAP Linkages* — Using this tab, you can link the GL to various GAAP codes.

- *Position Details* —Under this tab, you can define the position GL to be used for currencies.

- *Hierarchy Details* – You can view the GL hierarchy connected to the GL that you are creating.

4.3 <u>Specifying General Ledger Details</u>

To define details for a GL, click the tab 'General Ledger Details' button on the 'Chart of Accounts Maintenance' screen. The details that you can specify for a GL depend on the type of GL that you create. If a particular field is disabled, it means that the field is not relevant to the type of GL that you are creating.

You can capture the following details pertaining to the GL:

Category

GL category can be specified only for a GL head. A Head GL can be assigned any of the following categories:

- Asset

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- Liability

- Contingent Asset

- Contingent Liability

- Income

- Expense

- Position

- Position Equivalent

Two Head GLs can have the same category. All GLs that fall under a Head GL will essentially belong to the category defined for the Head. Each category can have any number of GLs under it. But, the category allocated to a GL should be assigned at the head of any GL stream; all nodes and leaves by default take the category of the Head GL to which they report.

General Ledger Type

Based on the way they are used in accounting, FGLs are classified into different types. Choose one of the following from the option list:

- Miscellaneous Credit

- Miscellaneous Debit

- Inter Branch

- Cash

- Normal

- Revaluation

Parent GL and Description

Specify the parent GL to which the current GL is associated. Select the appropriate one from the option list. Based on the parent GL selected, the system displays the description.

4.3.1.1 Specifying Position Accounting Details

Positioning Required

If you check this option, the system will pass position entries for the specific general ledger. If you uncheck it, system will not pass any position entries.

Display on Report With

You may opt to report the currency position under any of the following heads:

- Asset

- Liability

- Separate

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Here, 'Separate' an independent head, other than Asset or Liability, for reporting currency positions.

4.3.1.2 <u>Specifying the Restriction Details</u>

You may impose certain restrictions on the usage of the general ledger. Oracle FLEXCUBE allows you to set the restrictions in the following fields:

Currencies

You may create a GL that takes entries in terms of:

- A single currency

- All foreign currencies

- All currencies

Select the appropriate option from the dropdown menu. If you choose to impose restriction on a single currency, you have to specify the restricted currency.

Restricted Currency

If you have chosen to impose restriction on a single currency, specify that currency here. The option list displays all valid currencies maintained in the system. Select the appropriate one.

Branch Restriction

You can restrict access to the GL for:

- Branches only

- Head office only

- Both branches and head office

Choose the appropriate option as applicable.

Blocked

You may opt to restrict the entries from being posted to a GL by checking this option. You can aptly use this option to stop entries to a GL temporarily. No entries can be posted into a GL while it is blocked. You can open a GL marked with blocked status by unchecking the blocked status box.

This feature is useful as you need not close the GL. Blocking is temporary whereas closure is permanent.

Back Period Entry Allowed

Using this option, you can regulate the posting of entries into past periods. Check this box to allow the system to post entries into back periods.

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4.3.1.3 Specifying Revaluation Details

You need to set your preferences as to revaluation for all leaf GLs.

Revaluation

Check this option to enable revaluation of foreign currency balances. You can revalue the balances of asset, liability, contingent asset, and contingent liability GLs. You can also revalue the balances in Income / Expense GLs. If you indicate that revaluation is applicable, Oracle FLEXCUBE will revalue the GL during End of Day (EOD) processes.

Reval Split Required

Check this option to indicate that you require trading split for the leaf GL.

4.3.1.4 Specifying Year End Profit and Loss Accounts

In case of income and expense GLs, the system will move the balances in the GLs to year end profit and loss accounts at the end of every financial cycle. You need to specify the accounts in the following fields:

Profit Account and Description

Specify the profit account to which you wish to move the GL balances at the end of the year. The option list displays all valid profit accounts maintained. Select the appropriate one. Based on the account selected, the system displays the description.

Loss Account and Description

Specify the loss account to which you wish to move the GL balances at the end of the year. The option list displays all valid loss accounts maintained. Select the appropriate one. Based on the account selected, the system displays the description.

4.3.1.5 Specifying Central Bank Reporting Lines

For Central Bank reporting purposes, you should associate a GL with a debit and credit reporting line.

Debit Line and Description

The Central Bank debit line indicates the line to which an account under a GL should report, if in debit.

Credit Line and Description

You can indicate the line to which an account under a GL should report, if in credit.

You can select the reporting lines from the option list. The option list displays all lines maintained in the 'Reporting Line Maintenance' screen. Based on the selection, the system displays a description of each reporting line. The debit and credit reporting lines you define for a leaf can be the same.

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4.3.1.6 <u>Specifying Head Office Reporting Lines</u>

In order to include a GL under a Head Office reporting line, you should associate it with debit and credit reporting line.

Debit Line

The Head Office debit line indicates the line to which an account under a GL should report, if in debit.

Credit Line

You can indicate the line to which an account under a GL should report, if in credit.

You can select the reporting lines from the option list. The option list displays all lines maintained in the 'Reporting Line Maintenance' screen. The system displays the description of each reporting line based on the selection. The debit and credit reporting lines you define for a leaf can be the same.

Once you have made the required entries save the maintenance.

4.3.2 <u>Linking a GL to the GAAP Codes</u>

You may link a general ledger to one or more GAAP codes using 'GAAP Linkage' tab of 'Chart of Accounts Maintenance' screen.

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You need to specify the following details under this tab:

GAAP Code

Specify the GAAP code that you wish to link to the selected GL. The option list displays all valid GAAP codes maintained in the system. Select the appropriate one.

GAAP Description

Based on the GAAP code selected, the system displays the description.

SDE Class

Select the SDE class to be linked to the GL for generating system accounts.

Class Description

The system displays the description of the selected SDE class.

You may add more rows to the list and link any number of GAAP codes to the GL. Once you have specified the above details, save the linkage maintenance. As a result, the system posts all entries to the GL in the books of linked GAAPs.

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4.3.3 Specifying Position Details

You can enter the details on position accounting under the Position Details tab. If you have checked the option 'Position Accounting Required' under the 'General Ledger Details' tab, you have to specify the details pertaining to the position accounting.

Here, you can capture the following details:

Currency Code

You may define the position GL and position equivalent GL for each currency. Select the code that identifies the currency for which you wish to specify the details.

Position GL

Specify the position GL to be used for the selected currency. The option list displays all valid GLs maintained in the system. You can choose the appropriate one.

Position Equivalent GL

Specify the position equivalent GL to be used for the selected currency. The option list displays all valid GLs maintained in the system. You can choose the appropriate one.

In case you do not provide the above details, the system takes the position GL and position equivalent GL information maintained at the Currency Definition level.

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4.3.4 Viewing Hierarchy Details

You can view the hierarchy of the general ledgers connected to the current GL under the 'Hierarchy Details' tab.
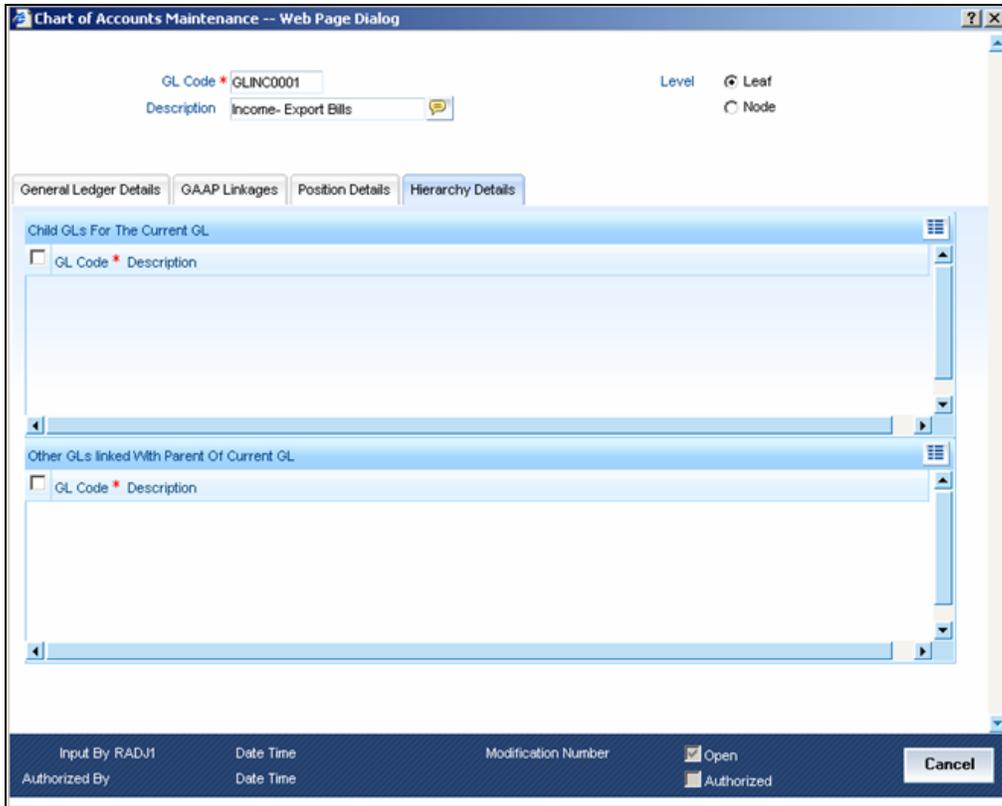
This tab displays all child GLs connected to the current GL. It also displays a list of GLs that are linked to the parent GL of the current GL.

4.4 Maintaining Inter-branch Parameters

You can maintain inter-branch parameters for passing inter-branch entries. You need to set the inter-branch (IB) currency for each branch in the 'Interbranch Parameters Maintenance' screen.

Here, you need to capture the following details:

Branch 1 and Branch Name

Specify the code that identifies the first branch for passing interbranch entries. Based on the branch code specified, the system displays the branch name.

Branch 2 and Branch Name

Specify the code that identifies the second branch for passing interbranch entries. Based on the branch code specified, the system displays the branch name.

Due to Branch 1

This is the general ledger in Branch 2, into which the system passes the credit accounting entries.

Due from Branch 1

This is the general ledger in Branch 2, into which the system passes the debit accounting entries.

IB Currency for Branch 1

Specify the interbranch currency to be used for branch 1. The dropdown menu displays the following options:

- Account Currency
- Transaction Currency

If you select 'Account Currency' as the IB Currency, the system will pass inter branch entries in the account currency. Otherwise, it passes the entries in the transaction currency.

Due to Branch 2

This is the general ledger in Branch 1, into which the system passes the credit accounting entries.

Due from Branch 2

This is the general ledger in Branch 1, into which the system passes the debit accounting entries.

IB Currency for Branch 2

Specify the interbranch currency to be used for branch 2. The dropdown menu displays the following options:

- Account Currency
- Transaction Currency

If you select 'Account Currency' as the IB Currency, the system will pass inter branch entries in the account currency. Otherwise, it passes the entries in the transaction currency.

Descriptions

The system displays the descriptions for each general ledger selected, in the respective fields.

4.5 <u>Maintaining Currency Positions</u>

FGL provides you an option to maintain position general ledger and position equivalent general ledger for a currency. In case position information is not maintained in 'Chart of Accounts Maintenance' screen, system picks up the details of position and position equivalent GL from 'Currency Position Details' screen.

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Currency Code and Name

You may define the position GL and position equivalent GL for each currency. Select the code that identifies the currency for which you wish to specify the details. The system displays the currency name accordingly.

Position GL and Description

Specify the position GL to be used for the selected currency. The option list displays all valid GLs maintained in the system. You can choose the appropriate one. Based on the GL selected, system updates the description.

Position Equivalent GL and Description

Specify the position equivalent GL to be used for the selected currency. The option list displays all valid GLs maintained in the system. You can choose the appropriate one. Based on the GL selected, system displays the description.

4.6   Maintaining MIS Class Details

In Oracle FLEXCUBE, you can maintain MIS classes using 'MIS Class Maintenance' screen. Each MIS class that you maintain may contain a number of MIS codes, based on the type of MIS that you choose.

Here, you need to specify the following details.

MIS Class

Enter a unique code to identify the MIS class that you are maintaining.

Description

Enter a brief description on the nature of the MIS class. You may use this description later to refer to the MIS class.

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MIS Type

Specify the type of MIS class that you are maintaining. In Oracle FLEXCUBE, you may maintain the following types of MIS classes:

- Transaction Class
- Customer Class

You may maintain a maximum of 20 Transaction MIS classes. Similarly, you can maintain a maximum of 10 Customer MIS classes in Oracle FLEXCUBE. Each such MIS class maintained may contain several MIS codes.

MIS Code

Specify the MIS code that you wish to add to the MIS class. You may add more rows to the list of MIS codes using add icon on the screen.

Code Description

Enter a brief description on the nature of the MIS code selected.

4.7 <u>Maintaining Accounting Periods</u>

Oracle FLEXCUBE allows you to maintain various period codes that correspond to a specific financial cycle for a Oracle FLEXCUBE general ledger. You can use the 'Period Code Maintenance' screen to do the same.

Here, you need to capture the following details:

4.7.1.1 <u>Specifying Financial Cycle Details</u>

Cycle

Specify a unique name to identify the financial cycle corresponding to which, you wish to maintain the period codes.

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Description

Enter a brief description of the financial cycle.

Start Date

Specify the date of beginning of the financial cycle.

End Date

Specify the day on which the financial cycle ends.

4.7.1.2 Adding Period Codes

The financial cycle defined above, can be divided into different accounting periods. To define individual accounting periods, click on the first row under period code. The system creates a period called 'FIN'. This is an open ended period coinciding with the last day of the financial cycle.

You can maintain the following parameters for each accounting period within a financial cycle:

Period Code

Enter a code to identify the accounting period. For example, if your period length is a quarter you can enter - Q1 for the first period; Q2 for the second; Q3 for the third and so on. If your period length is a bimonthly you can enter BM1, BM2. If your period length coincides with a month, you can input M1, M2.

Start Date

This is the first day of the corresponding period.

End Date

This is the last date of the corresponding period. 'End date' of a period should always end on a month end.

4.7.2 Maintaining Transaction Codes

Transaction codes are attributes at accounting entry level that identify the nature of an entry. An attribute specific to an accounting entry can be a part of the transaction code. You can maintain transaction codes using 'Transaction Code Maintenance' screen in Oracle FLEXCUBE.

On this screen, you need to capture the following details:

Transaction Code

Enter a unique code to identify the transaction.

Description

Enter a brief description on the nature of the accounting entry.

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Once you have specified the above details, save it. Any attribute specific to the entry can form a part of the transaction code.

4.8 <u>Identifying External Systems</u>

You need to maintain information on all external systems that post entries to a Oracle FLEXCUBE General Ledger. You can set your preferences specific to such external systems in the 'External Systems' screen.

On this screen, you need to capture the following details:

Source Code

Specify the source code of the external system. The preferences that you have set on this screen will be applied to this system.

Source Description

The system displays the description of the source code specified.

Generate Position Entries

If you wish Oracle FLEXCUBE to generate the position entries, check this option. If you uncheck it, the external system will handle the position entries.

Move Balances on SDE Change

There can be cases wherein, a change in the transaction attributes or MIS cause a change in the system accounts associated with an entry. Under such circumstances, if you have checked this option, the system will adjusts the accounting entries posted for that particular transaction.

Balancing Check

If you check this option, the system will check for debit / credit balancing of the batch of entries sent by the external system.

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Value Date Balancing Check

If you check this option, the system will check for balances based on the value date. Batch of entries sent by the external system will balance for debit / credit by the value date. If there is a mismatch, the system will display an error message or a warning based on the configurations set.

Once you have set your preferences, save the settings.

4.9 <u>Maintaining GAAP</u>

FGL is a multi GAAP accounting system. You can maintain various GAAP codes that are applicable for the organization, using 'GAAP Maintenance' screen in Oracle FLEXCUBE.
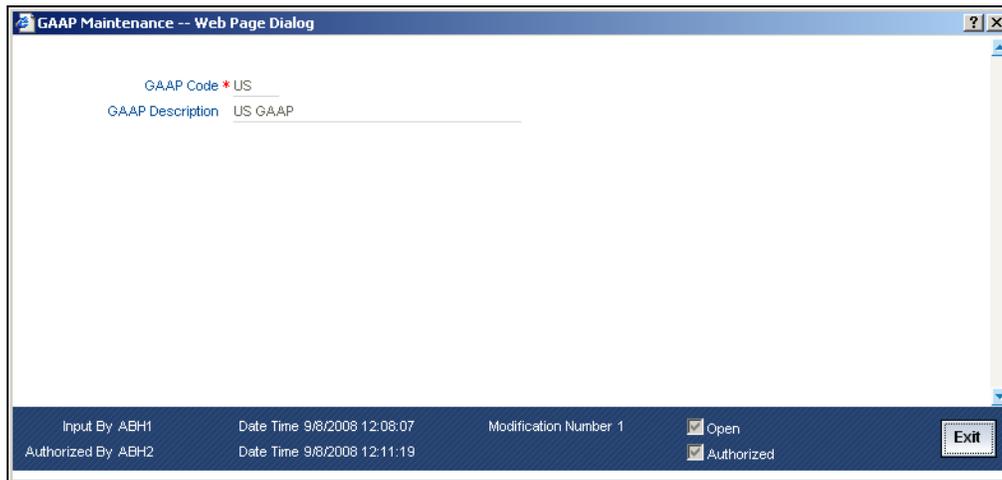
Here, you need to specify the following details:

GAAP Code

Specify a code to identify the GAPP that you are maintaining. This code will be the unique identifier for the GAAP.

GAAP Description

Enter a brief description of the GAAP.

Once you have specified the above details, save the maintenance.

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4.9.1 Linking a Branch to GAAP Codes

You can link one or more GAAP codes to a specific branch using 'Branch GAAP Linkage' screen. Using this screen, you may even link each branch to all the GAAP codes maintained.

Here, you need to specify the following details:

Branch Code

Specify the code to identify the branch to which you wish to link the GAAPs. The option list displays all valid branch codes maintained in the system. Choose the appropriate one.

Branch Name

Based on the branch code specified, the system displays the name of the branch.

GAAP Code

Specify the GAAP code that you wish to link to the branch. The option list displays all valid GAAP codes maintained in the system. Choose the appropriate one.

Description

Based on the GAAP code selected, the system displays the description.

Once you have specified the above details, save the linkage maintenance. As a result, the system posts the entries in the books of GAAPs that are linked to the specific branches.

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4.9.2 Linking a GL to the GAAP Codes

You may link a general ledger to one or more GAAP codes using 'GAAP Linkage' tab of 'Chart of Accounts Maintenance' screen.

You need to specify the following details on this screen:

GAAP Code

Specify the GAAP code that you wish to link to the selected GL. The option list displays all valid GAAP codes maintained in the system. Select the appropriate one.

GAAP Description

Based on the GAAP code selected, the system displays the description.

SDE Class

Specify the SDE class to be linked for generating system accounts.

Class Description

The system displays the description of the selected SDE class.

Similarly, you may add more rows to the list and link any number of GAAP codes to the GL. Once you have specified the above details, save the linkage maintenance. As a result, the system posts all entries to the GL in the books of linked GAAPs.

5. System Accounts

5.1 Introduction

System accounts are the lowest level at which accounting entries are posted in Oracle FLEXCUBE. The system stores FGL balances at this level. System accounts help you get a break up of the GL balances which provides the details on the various attributes of a transaction. You may configure all such parameters for the generation of system accounts in Oracle FLEXCUBE.

5.1.1 System Defined Elements

You need to set certain parameters called 'System Defined Elements' for generation of system accounts. You can map a system defined element to an actual transaction using 'System Defined Element Details' screen. Oracle FLEXCUBE collects the data required for system account generation from the details maintained on this screen.

Here, you need to capture the following details:

Element ID

Select an element ID from the dropdown menu. However, if the element type is chosen as transaction attribute, you may maintain a maximum of 30 elements in FGL. Similarly, you may maintain a maximum of 20 elements of transaction MIS code and 10 elements of customer MIS code.

Element Type and Description

For an FGL, you may set one of the following system defined element types:

- **Transaction Attributes: In FGL, you can maintain a maximum of 30 elements of transaction attributes. Oracle FLEXCUBE has placeholders for transaction attributes. You can map these attributes to the actual transaction details.**

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- **Transaction MIS Codes: You may maintain a maximum of 20 elements of transaction MIS codes for FGL. Every transaction MIS class that you define for FGL will be considered as a system defined element.**

- **Customer MIS Codes: The system converts all customer MIS classes that you create for FGL, to system defined elements. You can maintain a maximum of 10 elements of customer MIS classes for FGL.**

- **Entry Level Attributes: Apart from the above, the following entry level attributes influence the generation of system accounts:**

  - Related Reference

  - Related Account

  - Financial Cycle

  - Financial Period

  - Posting Date

  - Book Date

  - Posting Currency

- **Balance Attributes: For auto generated entries, Oracle FLEXCUBE generates system accounts based on balances. Balance attributes are used in defining SDE classes for Revaluation Profit and Loss GLs, Revaluation into GLs, Position GLs and Year End PNL GLs. In FGL, you can have the following balance attributes as system defined elements:**

  - Balance GL

  - Balance System Account

  - Financial Cycle

  - Financial Period

  - Balance Currency

You can select the appropriate element type from the above. Based on the selection, the system displays the description.

Element Code

Enter a unique code to identify the element that you are maintaining. You can modify the element code for transaction attributes. However, if you are maintaining an MIS code, the system defaults the MIS class as the transaction code. In that case, you cannot modify it. However, you may modify the description.

Data Type

Specify data type to be used. You can select one of the following from the dropdown menu:

- Date

- String

- Number

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Max Length

Specify the maximum number of characters that can be used in the attribute. However, for MIS attributes, you can set this length to a maximum of 9.

Minimum Length

Specify the minimum number of characters to be used in the attribute.

Range Required

Check this option to capture the value in range of buckets. When you define an attribute of type 'Number' or 'Date', you may configure the system to consider the value in ranges (buckets).

Active

Once the SDE is mapped, the system checks this option and updates the status.

Based on the selected attributes and MIS codes, Oracle FLEXCUBE generates the system accounts. These system accounts belong to a specific GAAP.

5.1.2 Defining SDE Classes

You can define System Defined Element Class, which consists of various SDE codes.

Here, you need to capture the following details:

Class Code

Specify a unique code to identify the class.

Class Description

Enter a brief description on the nature of the class.

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Element Class Type

You need to specify the type of SDE class that you are defining. Select a type from the dropdown menu. For FGL, you may define the following element class types:

- **Direct: You may choose this class if you wish to post the entries directly. If you choose this option, the system will not generate the entries by itself. Nor will it generate the entries as part of batch processes. You may add the following elements to Direct class:**
    - ➢ Transaction Attributes
    - ➢ Transaction MIS Codes
    - ➢ Customer MIS Codes
    - ➢ Entry Level Attributes

- **Derived: You may use this class when external systems post the entries. Inter branch entries generated by the system is an instance of this. You may add the following SDEs to Derived class:**
    - ➢ Transaction Attributes
    - ➢ Transaction MIS Codes
    - ➢ Customer MIS Codes
    - ➢ Entry Level Attributes

- **Balance: When system accounts are generated based on the balances, you need to define a Balance class. You can add all balance attributes to the Balance class.**

    You need to attach Balance SDE class for Revaluation Profit and Loss GLs, Position / Position Equivalent GLs and Year Profit and Loss GLs.

Element Code

Specify the element codes that you wish to add to the class. The option list displays respective valid element codes maintained in the system. You can select the appropriate one.

You may add more rows to the list of element codes using add icon.

Element Description

The system displays the description based on the element code selected.

Range Class

Specify a range class to which the selected element code belongs. Select the appropriate one form the option list.

5.1.3 Defining Number and Date Range Classes

You can define number range classes and date range classes for FGLs in Oracle FLEXCUBE. To define a number range class, invoke 'Number Range Class Details' screen.

Here, you can capture the following details:

Class Code

Specify a class code to identify the number range class.

Class Description

Enter a brief description on the nature of the number range class.

Add the bucket IDs to the list using add icon button. Further, enter the 'From Number' and 'To Number' to indicate the number range.

In order to define the date range class, invoke 'Date Range Class Details' screen.

Class Code

Specify a unique code to identify the date range class.

Class Description

Enter a brief description on the nature of the class.

Add more rows to the class details using add icon button. Enter the bucket IDs in the space provided, and specify the range.

5.1.4 Generating System Accounts Manually

You can manually generate system accounts using 'System Accounts Detailed' screen. Entries can be directly posted to these manually generated accounts.

The system displays the following details of the account:

- The system account number

- The GL code associated with the system account and description

- The GAAP code associated with the system account and description

- Whether the account is generated manually, or by the system. If it is generated by the system, the check box 'System Generated' remains checked.

However, you may modify the following details:

Alternate System Acc Number

You can enter an alternative system account number, and use the same for your reference.

System Account Description

You can enter a brief description on the nature of the system account.

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You can view the details of system defined elements and their corresponding values in the 'System Account Elements' screen. To invoke the screen, click 'System Account Elements' button on the 'System Accounts Detailed' screen.
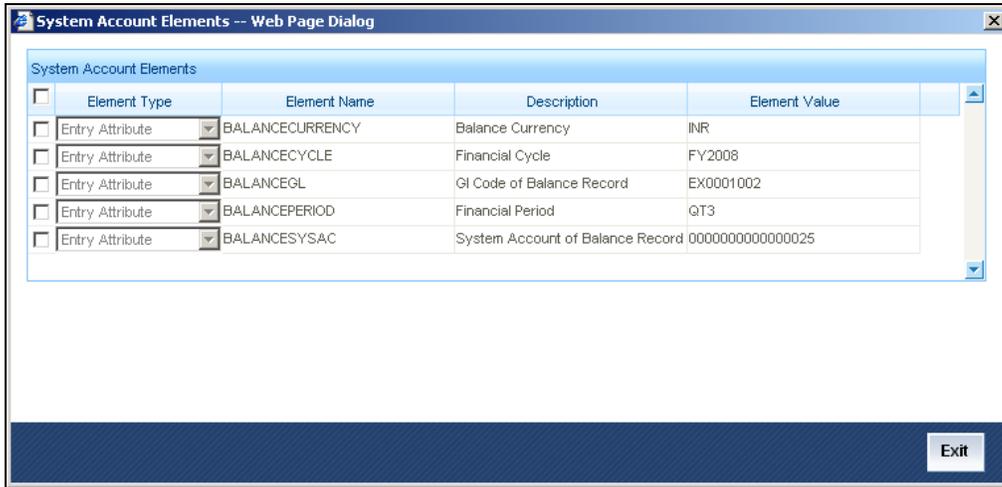
5.1.5 Processing System Account Generation

The parameters for system accounts generation are maintained for a combination of GL and GAAP codes. The following illustration will help you comprehend the process of system account generations in FGL.

Example

Consider the following details:

- Transaction attributes1 and 2 are mapped to 'PRODUCT' and 'TENOR' respectively.

- SDE class 'INCOME' is a set of transaction attributes 'PRODUCT' and 'TENOR'.

- SDE class 'INCOME' is attached to the combination of the general ledger (GL1) and GAAP (G1).

- Tenor in terms of range are as follows:

  ➢ 0000 - 360 BCKT1

  ➢ 361 - 999 BCKT2

- A number range class 'LDTNR' is maintained for the above ranges and is attached to the tenor in SDE class 'INCOME'.

Entry 1:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	USD	1-Jan-08	10,000

Following are the transaction attributes:

PRODUCT   : LD01

TENOR   : 300 Days

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This is the first entry to the GL. The system generates a new system account'S1' and posts the balance to it.

Entry 2:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	USD	1-Jan-08	10,000

Following are the transaction attributes:

PRODUCT   : LD01

TENOR   : 370 Days

Primarily, the system resolves the number range bucket as 'BCKT2' and checks whether a system account has been generated for that combination. Again, for such combination, the system generates a new system account 'S2' and posts the balances to it.

Entry 3:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	USD	1-Jan-08	10,000

Following are the transaction attributes:

PRODUCT   : LD01

TENOR   : 250 Days

Initially, the system resolves the number range bucket as 'BCKT1' and checks whether a system account has already been generated for this combination. In the above case, system account 'S1' has already been generated for the GAAP 'G1' with the same transaction attributes. Hence, the system posts this entry to the system account 'S1' itself.

5.1.6 Processing General Ledgers for Customers

Based on the parameters set for customer accounts, Oracle FLEXCUBE sends customer account balances to asset and liability general ledgers, based on their nature. For an external system that reports the balances, Oracle FLEXCUBE provides the following options:

- Receive the customer GL and update the balance

- Directly receive the entries into the customer accounts, along with the current balance of the account and its reporting GLs

In the latter case, based on the current balance and the entry, FGL senses a difference in the account balance and adjusts the balances in the reporting GLs accordingly.

Example

Consider the following details:

Balance in the customer account   : 100 USD (Credit)

Reporting GL (credit)   : G1

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Reporting GL (debit)   : G2

Now, suppose that the following entry is posted to the customer account.

Dr   Customer Account   150 USD

The system identifies the balance flip in the customer account and moves the balance from G1 to G2.

Then, the system treats the above entry as shown:

Dr   G1   100 USD

Dr   G2   50 USD

This entry manages the movement of the account balance from the general ledgers G1 to G2.

5.1.7 **Tracking Balances of System Accounts**

FGL tracks the balances in system accounts, general ledgers and MIS classes maintained in the system.

System accounts are the lowest level of entry points to the books of accounts. General ledger balance is a consolidation of total balances of all such system accounts.

FGL tracks the following balances for each system account:

- Balances
  - Opening Balance
  - Opening Balance in Local Currency
  - Current Balance
  - Current Balance in Local Currency
- Turnovers
  - Opening Debit Turnover
  - Opening Debit Turnover in Local Currency
  - Opening Credit Turnover
  - Opening Credit Turnover in Local Currency
  - Debit Turnover
  - Debit Turnover in Local Currency
  - Credit Turnover
  - Credit Turnover in Local Currency

The balances that the system updates could be:

- **Book dated balances: The system receives the branch date of the account branch and updates the book dated balance.**

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- **Value dated balances: FGL updates the value dated balances based on the posting date sent by the external system.**

- **Period balances: Based on the posting date, the system receives the financial cycle and period code and updates the period balances.**

The system maintains the opening balance, based on the type of balance. For instance, in case of period balance, opening balance refers to the balance at the beginning of the period.

5.1.7.1 <u>Handling of Back Dated Entries</u>

FGL receives back dated entries and updates the balances accordingly. The following example illustrates the period balance tracking mechanism for back dated entries.

Example

Consider the following system data:

Current Business Date   : 01-AUG-2008

Current Financial Cycle   : FY2008

Current Financial Period   : Q3

Balance of System Account S1

Balance Type	Balance
Branch Code	CHO
System Account	S1
Currency	USD
Financial Cycle	FY2000
Financial Period	QT3
GL Code	GL003
GAAP Code	G1
Opening Debit Balance	0
Opening Credit Balance	0
Opening Debit Balance in Local Currency	0
Opening Credit Balance in Local Currency	0
Opening Debit Movement	0
Opening Credit Movement	0

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Balance Type	Balance
Opening Debit Movement in Local Currency	0
Opening Credit Movement in Local Currency	0
Debit Balance	0
Credit Balance	0
Debit Balance In Local Currency	0
Credit Balance In Local Currency	0
Debit Movement	0
Credit Movement	0
Debit Movement In Local Currency	0
Credit Movement In Local Currency	0

Assume that the following entry is posted into S1 –

GAAP	DR/CR	Branch	GL Code	System Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	S1	USD	1-Aug-08	10,000

Balance in the system account 'S1' is updated as follows:

Balance Type	Balance
Branch Code	CHO
System Account	S1
Currency	USD
Financial Cycle	FY2008
Financial Period	Q3
GL Code	GL1
GAAP Code	G1
Opening Debit Balance	0
Opening Credit Balance	0

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Balance Type	Balance
Opening Debit Balance in Local Currency	0
Opening Credit Balance in Local Currency	0
Opening Debit Movement	0
Opening Credit Movement	0
Opening Debit Movement in Local Currency	0
Opening Credit Movement in Local Currency	0
Debit Balance	10000
Credit Balance	0
Debit Balance In Local Currency	10000
Credit Balance In Local Currency	0
Debit Movement	10000
Credit Movement	0
Debit Movement In Local Currency	10000
Credit Movement In Local Currency	0

Assume that the following entry is posted into S1:

GAAP	DR/CR	Branch	GL Code	System Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	S1	USD	1-Jun-08	5,000

This is a back period entry. As a result, the system will update 'Posted into Past Period' turnovers for the period Q3 and 'Posted from Future Period' turnovers for period Q2.

Following is the balance of the system account S1 for Q3:

Balance Type	Balance
Branch Code	CHO
System Account	S1
Currency	USD

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Balance Type	Balance
Financial Cycle	FY2008
Financial Period	Q3
GL Code	GL1
GAAP Code	G1
Opening Debit Balance	5000
Opening Credit Balance	0
Opening Debit Balance in Local Currency	5000
Opening Credit Balance in Local Currency	0
Opening Debit Movement	0
Opening Credit Movement	0
Opening Debit Movement in Local Currency	0
Opening Credit Movement in Local Currency	0
Debit Balance	15000
Credit Balance	0
Debit Balance In Local Currency	15000
Credit Balance In Local Currency	0
Debit Movement	15000
Credit Movement	0
Debit Movement In Local Currency	15000
Credit Movement In Local Currency	0

This entry has updated the 'Posted into Past Period' turnovers of the balance record for period Q3. Since it is a back dated entry, the system has changed the opening balance to 5000 Debit.

Balances for the quarter Q2 will be as follows:

Balance Type	Balance
Branch Code	CHO
System Account	S1

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Balance Type	Balance
Currency	USD
Financial Cycle	FY2000
Financial Period	Q2
GL Code	GL1
GAAP Code	G1
Opening Debit Balance	0
Opening Credit Balance	0
Opening Debit Balance in Local Currency	0
Opening Credit Balance in Local Currency	0
Opening Debit Movement	0
Opening Credit Movement	0
Opening Debit Movement in Local Currency	0
Opening Credit Movement in Local Currency	0
Debit Balance	5000
Credit Balance	0
Debit Balance In Local Currency	5000
Credit Balance In Local Currency	0
Debit Movement	0
Credit Movement	0
Debit Movement In Local Currency	0
Credit Movement In Local Currency	0

5.1.8 Tracking General Ledger Balances

General ledgers in Oracle FLEXCUBE are the consolidation points of system accounts. Balance tracking for general ledgers is hence, same as that of system accounts.

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For details with illustration, please refer the section 'Tracking Balances of System Accounts' in this chapter.

For FGLs, the system can track the following balances:

- Balances

  - ➤ Opening Balance
  - ➤ Opening Balance in Local Currency
  - ➤ Current Balance
  - ➤ Current Balance in Local Currency

- Turnovers

  - ➤ Opening Debit Turnover
  - ➤ Opening Debit Turnover in Local Currency
  - ➤ Opening Credit Turnover
  - ➤ Opening Credit Turnover in Local Currency
  - ➤ Debit Turnover
  - ➤ Debit Turnover in Local Currency
  - ➤ Credit Turnover
  - ➤ Credit Turnover in Local Currency

5.1.9 Tracking MIS Balances

MIS balance is the breakup of the general ledger balance based on MIS codes and MIS classes. The sum of all MIS balances for a particular class will reflect the total GL balance. The external system provides the details of MIS codes. However, if it does not provide the MIS code, the system will consider the code as 'UNDEFINED'. The MIS balances will be updated accordingly.

5.1.10 Adjusting Balances

FGL identifies any change in the transaction data provided. The change in the transaction data has an impact in the system account balances. In that case, the system may consider the balances as invalid, if it is posted with the old data. Hence, whenever there is such a change, the system readjusts the system account balances. FGL will reverse the balances posted and rebook the balances in a new set of system accounts.

This is an optional feature. You can set your preferences related to the same at the 'Source Preferences' level.

Example

Consider the following details:

- The transaction attributes 1 and 2 are mapped to PRODUCT and TENOR respectively.
- SDE class INCOME is a set of transaction attributes PRODUCT and TENOR.
- SDE class attached for the combination of the general ledger GL1 and the GAAP G1 is INCOME.

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- No SDE class is attached to the general ledger GL2 and GAAP G1. It indicates that the balance breakup of G2 is not required. There will only be one system account for G2.

- Tenor is considered in the following ranges:

    - 0000 - 360 BCKT1

    - 361 - 999 BCKT2

- A number range class LDTNR is maintained with the above ranges. It is attached to the tenor in SDE class INCOME.

Entry 1:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	C	BR1	GL1	USD	1-Jan-08	10,000
G1	D	BR1	GL2	USD	1-Jan-08	10,000

Following are the transaction attributes:

PRODUCT   : LD01

TENOR   : 300 Days

This is the first entry to the GL. The system generates a new system account S1 and posts the balance to it.

Now, suppose that the loan contract has been amended with an increase in the tenor. The new tenor is 500.

The external system will send this information during such an amendment and accordingly, the system will adjust the balances by passing relevant adjustment entries.

As GL2 does not have any SDE class attached to it for GAAP G1, system does not pass any adjustment entry to adjust the balance in GL2.

Whereas, GL1 is attached to SDE class 'INCOME' for GAAP G1. INCOME has 'TENOR' as one of its attributes and that will result in a change in the system account to be used. FGL determines the new system accounts and posts the balances to those accounts.

Assume that the new system account is S2. In the above scenario, the system will generate the following entries

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	D	BR1	S1	USD	1-Jan-08	10,000
G1	C	BR1	S2	USD	1-Jan-08	10,000

5.2 <u>Querying Balances</u>

In FLECUBE, you can query and view the following balances:

- General Ledger Balance

- System Account Balances

- MIS Balances

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In this section, we will examine how Oracle FLEXCUBE helps you view these balances.

5.2.1 Viewing General Ledger Balances

You can view the period wise balances in a general ledger using 'GL Period Balance Details' screen. You can invoke the 'GL Period Balance Details' screen by typing 'EGDGLBAL' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Here you can view the following details:

- Debit and credit opening balances and movements of the general ledger
- Debit and credit current balances and turnovers in the general ledger

You can query the general ledger balances by the following parameters:

- Branch Code
- GL Code
- GAAP Code
- Currency Code
- Financial Year
- Period Code

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5.2.2 Viewing General Ledger Book Dated Balances

You can view the balances in a general ledger and query it based on booking date using 'GL Book Dated Balance Detailed' screen. You can invoke the 'GL Book Dated Balance Detailed' screen by typing 'EGDGLBDB' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Here you can view the following details:

- Debit and credit opening balances and movements of the general ledger
- Debit and credit current balances and turnovers in the general ledger

You can query the general ledger balances by the following parameters:

- Branch Code
- GL Code
- GAAP Code
- Currency Code
- Booking Date

5.2.3 Viewing General Ledger Value Dated Balances

You can view the balances in a general ledger and query it based on value date using 'GL Book Date Balance Details' screen. You can invoke the 'GL Book Date Balance Details' screen by typing 'EGDGLVDB' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Here you can view the following details:

- Debit and credit opening balances and movements of the general ledger
- Debit and credit current balances and turnovers in the general ledger

You can query the general ledger balances by the following parameters:

- Branch Code
- GL Code
- GAAP Code
- Currency Code
- Value Date

5.2.4 Viewing Transaction Details

You can view the latest transactions and MIS details using 'View Transaction Details' screen. You can invoke the 'View Transaction Details' screen by typing 'EGDTXINF' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.
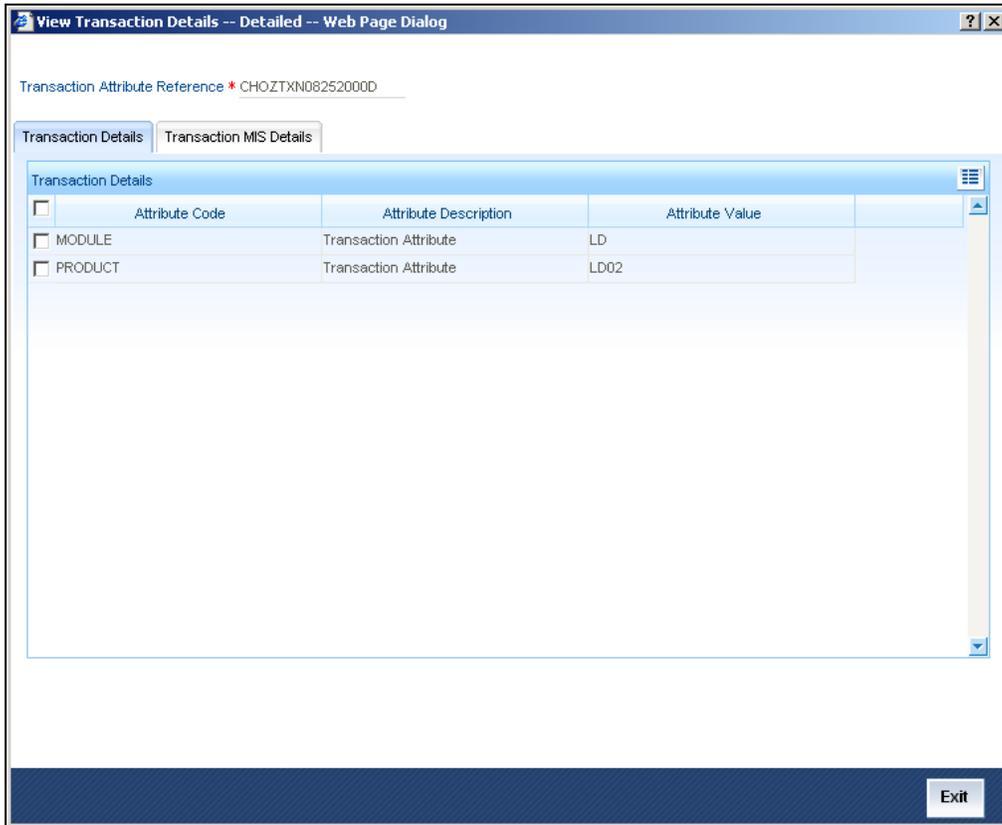
Using this screen, you can query the transaction details as well as transaction MIS details, based on the transaction attribute reference number.

5.2.5 Viewing Customer MIS Details

You can view the MIS details for a customer using 'View Customer Details' screen. You can invoke the 'View Customer Details' screen by typing 'EGDCMINF' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

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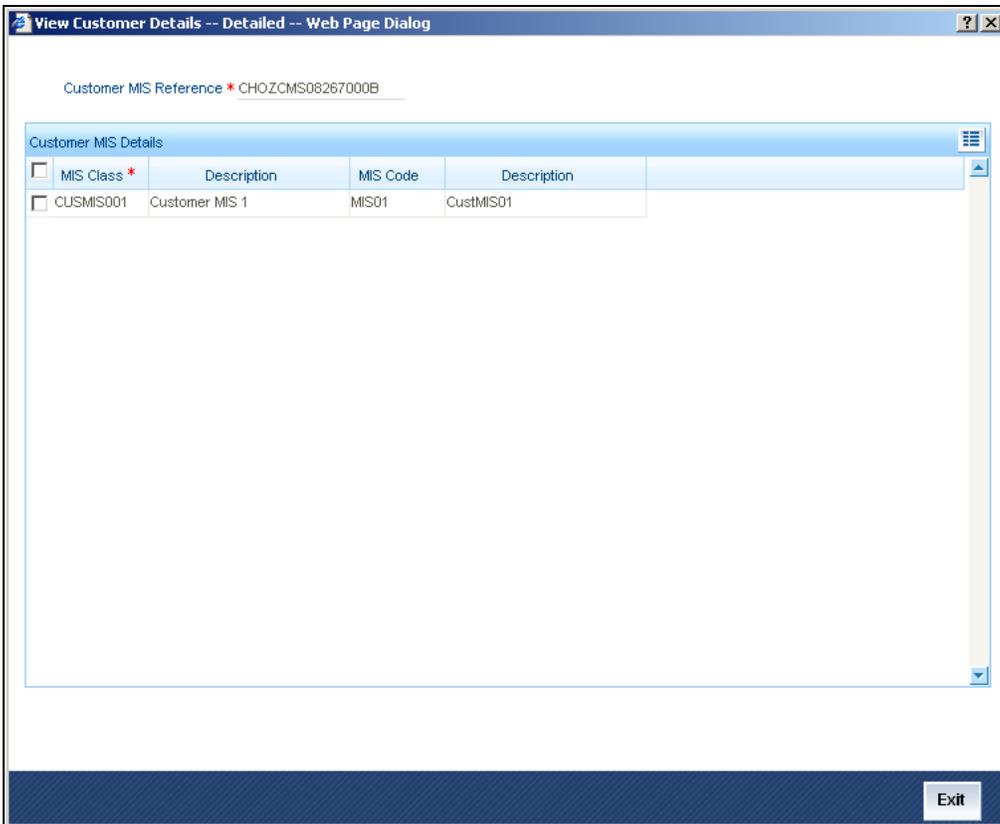
You can query the MIS details based on customer MIS reference number. The system will display the MIS classes, codes and respective descriptions on this screen.

5.3 Processing End of Day Operations

During end of the day, you can run a batch program for account revaluation for Oracle FLEXCUBE general ledgers. As a result of the batch, the system revalues the system account balances and posts the revaluation profit or loss into a predefined account.

You can set your preferences pertaining to account revaluation using 'Account Revaluation Setup' screen. You can invoke the 'Account Revaluation Setup' screen by typing 'EGDRVSTP' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

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Here, you need to capture the following details:

GL SL

Specify the code to identify the general ledger account for which you wish to set the parameters.

Description

Enter a brief description of the general ledger account for which you wish to set the revaluation parameters.

Transaction Code and Description

Specify the transaction code under which the accounting entries are posted to the revalued general ledger account. Based on the transaction code, the system displays the description.

Rate Type

Specify the rate type that you wish to use for revaluation of the general ledger.

Netting Indicator

You may wish to net the entries for all accounts linked to the GL code. If you check this option, the system will pass single consolidated entries each for profit and loss.

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Revalue into GL and Description

Specify the GL into which you wish to pass the revaluation entries. The system will use this GL instead of the GL being revalued for passing the entries. As a result, the revaluation entries will not affect the balance in the GL that under revaluation.

The system will debit this GL account is, if the result of revaluation is a profit. On the other hand, it will credit this GL if the result of revaluation is a loss.

By default, this is the GL under revaluation. For all non-contingent GLs belonging to the asset or liability categories, the system defaults to the GL being revalued.

You can specify a different account for posting these entries. Select it from the option list which displays all GLs maintained in the system.

The system displays the description based on the GL selected.

Profit GL and Description

If the result of GL revaluation is a profit, the system credits the profit amount to the profit GL that is specified here. Similarly, if you have opted for revaluation split for the GL, then the revaluation profit, as opposed to the trading profit, is posted into this profit GL.

On revaluation split, the system segregates the revaluation profit / loss into:

- **Trading Profit / Loss**: Profit or loss due to revaluation of FCY entries posted into the GL during the current day
- **Revaluation Profit / Loss**: Profit or loss due to revaluation of opening FCY balances (excludes current day's turnover)

Trading Profit Account and Description

If you have opted for revaluation split, you need to specify the trading profit account into which the profits of trading revaluation should be posted.

The system displays the description based on the account selected.

Loss GL and Description

If the result of revaluation is a loss, the system debits the loss amount to the loss GL specified here. If you have opted for revaluation split, then the revaluation loss (as opposed to trading loss) will be posted into this GL.

Trading Loss Accounting and Description

If you have opted for revaluation split, you need to specify the trading loss account into which the losses of trading revaluation should be posted.

The system displays the description based on the account selected.

Based on the preferences set on 'Account Revaluation Setup' screen, the system books profit and loss to the Profit GL and Loss GL respectively. You may also direct the revaluation entries into another GL in order to stabilize the balance in the GL under revaluation. For this purpose, you may use the option 'Revalue into GL'.

Based on the revaluation results, the system adjusts the position balances as well. The system takes into account the positioning preferences of the GL under revaluation for this purpose.

5.3.1 Tracking MIS Balances for Revaluation Entries

During GL revaluation, the system updates the local currency balances of the GL. This requires an adjustment in the MIS balance breakup of the GL. To tackle this, the system has been configured in such a way to update the MIS balance for the revaluation entry.

For all MIS codes under each MIS class, the system splits the net balance posted into the GL. This splitting is based on the ratio of the current balances of the MIS codes.

Example

Consider the following details:

Local currency	: USD
Net profit posted into revaluation profit GL - G1, in GBP	: 10,000 USD
Current GBP balance of the GL	: 50,000 GBP

MIS breakup for the transaction MIS Class TMIS1 is shown below:

MIS CODE	: Balance
TMISCODE1	: 20,000 GBP
TMISCODE2	: 30,000 GBP

In the above scenario, MIS balance will be adjusted as shown below:

The net profit 10,000 will be adjusted in the ration of current balances.

LCY adjustment for MIS Code TMISCODE1 : (10,000/50,000) x 20,000

LCY adjustment for MIS Code TMISCODE2 : (10,000/50,000) x 30,000

If n case it gets a differential, the system will adjust the same by rounding it off against the MIS code with the maximum balance. In the above scenario, the MIS code will be TMISCODE2.

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5.3.2 <u>Automatic Financial Closure</u>

Oracle FLEXCUBE automatically triggers Oracle FLEXCUBE General Ledger financial closure on the last day of the financial cycle. You have maintained year end profit and loss GLs in the 'Chart of Accounts Maintenance' screen. The system moves the income and expense balances into those year end profit and loss GLs respectively. The system applies the break up schemes defined at the same level, while generating system accounts for PNL entries. This process is initiated within the financial period 'FIN' of the financial cycle.

For Oracle FLEXCUBE general ledgers, the system attaches an SDE class of type 'Balance' to the year end profit and loss GLs. The system uses this SDE class and the attributes of the balance being transferred, to generate the system accounts. However, for such entries, if the SDE class is of any type other than 'Balance', the system displays an error message.

5.4 <u>Web Services Available for FGLs</u>

In case of general ledgers, you may use the web services provided by Oracle FLEXCUBE for the following purposes:

- To accept entries into the system
- To provide GL balances to external systems

The web services available for Oracle FLEXCUBE general ledgers are listed below:

- Entry Upload
- Transaction Details Upload
- Customer MIS Upload
- GL Details - Query
- GL Balance Query
  - ➢ Period Wise balance
  - ➢ Book Dated Balances

Value Dated Balances

- System Account Balance Query
  - ➢ Period Wise Balance
  - ➢ Book Dated Balances
  - ➢ Value Dated Balances
- MIS Balance Query
  - ➢ Period Wise Balance
  - ➢ Book Dated Balances
  - ➢ Value Dated Balances

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6. Processing FGL Entries

6.1 Introduction

Oracle FLEXCUBE General Ledgers (FGL) eases the process of posting entries by capturing the entries, transaction details and the customer MIS details separately, yet maintaining a linkage. FGL also identifies the entries posted from a deal in an external system. Additionally, FGL reduces the quantity of data to be exchanged while uploading files.

For every contract, you may often have to post accounting entries at various stages. However, the transaction and MIS information of the contract may remain the same at those stages. FGL helps you capture the transaction and MIS data initially and use the same information whenever similar entries are posted. You may even capture transaction and MIS information along with each entry in Oracle FLEXCUBE.

In this chapter, you will find more information on processing of various transactions in Oracle FLEXCUBE general ledgers.

6.2 Maintaining Transaction Details

You can maintain details pertaining to transaction attributes for FGL using 'Transaction Details – Detailed' screen. You can invoke the 'Transaction Details – Detailed' screen by typing 'EGDTXNAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

On this screen, you need to capture the following details:

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Operation Reference

The system displays the operation reference number.

Transaction Attribute Reference

Specify the transaction attribute reference. You can use this reference while posting entries to pass on transaction data. The system uses this reference number for all entries of the same nature, so that you need not send the transaction data along with every entry.

However, Oracle FLEXCUBE adjusts the system account balances only if the transaction data is sent separately with a transaction attribute reference.

This screen consists of two tabs:

- **Transaction Details**: This section captures details of transaction attributes. You can define a maximum of 30 attributes on this screen.
- **Transaction MIS Details**: This section captures the details of transaction MIS. You can define a maximum of 20 attributes.

You can even capture these details as name-value pairs. You can invoke the 'Transactions Details – Detailed' screen by typing 'EGDTXNDT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Under the tab 'Transaction Details', you can add more information on transaction attributes. You can add more attributes to the list using add icon

Here, you need to specify the following details:

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Attribute Code

Specify the attribute code.

Attribute Description

Based on the attribute code, the system displays the description.

Attribute Value

Specify a value for the selected attribute code. FGL generates system account number based on this value. For instance, in case of Attribute PRODUCT, attribute value will be LD. However, you need to define the same based on the parameters set in 'SDE Class Definition' screen.

Similarly, you can capture the transaction MIS details on this screen. To enter the details, click 'Transactions MIS Details' button on 'Transaction Details – Detailed' screen.

You need to capture the following details pertaining to transaction MIS.

MIS Class and Description

Specify the MIS class for the transaction. Based on the class code selected, the system displays the description.

MIS Code and description

Specify the MIS code that you wish to add to this operation. Based on the MIS code selected, the system displays the description.

You may add more rows to the list using add icon

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6.2.1 Maintaining Customer MIS Details

You can capture customer MIS details using 'Customer Details – Detailed' screen. You can invoke the 'Customer Details – Detailed' screen by typing 'EGDCMSAT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

Here, you need to capture the following details:

Operation Reference

The system displays the operation reference number.

Customer MIS Reference

Specify the customer MIS reference number. The system will use this reference number while posting entries for FGL.

You can maintain a maximum of 10 MIS codes corresponding to 10 MIS classes. However, if you wish to modify the data sent, you will have to provide all existing information along with the modifications.

If the MIS information undergoes any change, the system automatically adjusts the system account and MIS balance.

You can even capture the customer MIS information as name value pairs. You can invoke the 'Customer Details – Detailed' screen by typing 'EGDCMSDT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

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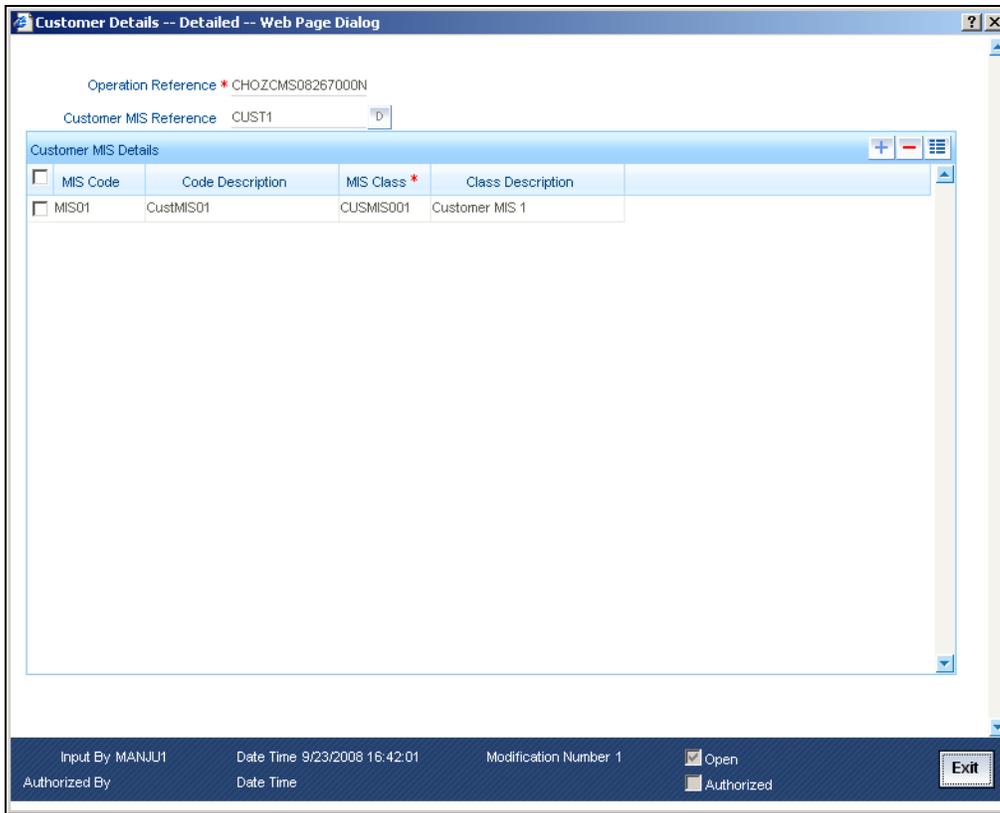
You can enter the following details:

MIS Class and Description

Specify the MIS class for the transaction. Based on the class code selected, the system displays the description.

MIS Code and Description

Specify the MIS code that you wish to add to this operation. Based on the MIS code selected, the system displays the description.

You may add more rows to the list using add icon

6.3 <u>Uploading Entries</u>

Oracle FLEXCUBE general ledger receives entries uploaded in specific formats. It can receive entries from external systems through Entry Upload Request of Web Services. FGL will process such entries.

You can send the entries directly to the system accounts. However, an external system can post such entries only to manually created system accounts.

FGL can receive all attributes along with each entry. Separate records with unique reference number may also be sent. Such records can be linked with respective entries.

6.3.1 Upload Details

You can upload the following details:

Field Name	Data Type	Maximum Length	Mandatory
Serial Number	NUMBER		Y
GAAP Code	VARCHAR2	2	N
Account or GL(A/G)	VARCHAR2	1	Y
Account Branch	VARCHAR2	3	Y
Account Currency	VARCHAR2	3	Y
Account Number	VARCHAR2	50	Y
Debit GL	VARCHAR2	9	N
Credit GL	VARCHAR2	9	N
Current Balance in case of Customer Accounts	NUMBER		N
System Account Number	VARCHAR2	50	N
Debit / Credit	VARCHAR2	1	Y
Transaction Code	VARCHAR2	3	Y
Amount in Posting Currency	NUMBER		Y (for foreign currency only)
Exchange Rate	NUMBER		Y (for foreign currency only)
Amount in Local Currency	NUMBER		Y
Posting Date	DATE	7	Y
Offset Entry serial No	NUMBER		N
Amount Code	VARCHAR2	50	N
Related Reference Number	VARCHAR2	255	N
Related Account	VARCHAR2	255	N
Transaction Attribute Reference Number	VARCHAR2	50	N
Customer MIS Reference	VARCHAR2	50	N

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6.3.2 Posting Journal Entries

You can use FGL to post entries into the general ledgers using 'Journal Entries Detailed' screen. You can invoke the 'Journal Entries Detailed' screen by typing 'EGDJRENT' in the field at the top right corner of the Application tool bar and clicking the adjoining arrow button.

On this screen, you need to capture the following details:

Batch Reference

As you select 'New' from the action menu, the system generates a batch reference number.

Source Code

If the entry is posted through front end, system displays the source code as 'Oracle FLEXCUBE'. Otherwise, it displays the source code of the external source.

Branch Code

The system displays the branch code of the current branch.

Branch Name

Based on the branch code specified, the system displays the branch name.

Based on the preferences set, the system processes the entries in the following order:

- Resolve inter branch entries
- Prepare position entries
- Run balancing check based on source preferences
- Run a check for currency and value date balancing based on source preferences
- Explode GAAP entries
- Update the system account, GL and MIS balances

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6.3.2.1 Exploding GAAP Entries

External systems may send entries to FGL for specific GAAPs as well as for all the GAAPs. The following example illustrates how FGL handles GAAP entries:

Example

Consider the following entries passed by an external system:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
AL	D	BR1	GL1	USD	1-Jan-08	10,000
G1	C	BR1	GL3	USD	1-Jan-08	10,000
G2	C	BR1	GL4	USD	1-Jan-08	10,000

In the above table, GAAP indication has been set to 'AL'. Hence, the system resolves all applicable GAAP indicators for the combination of the branch BR1 and the general ledger GL1.

Now, assume that

Applicable GAAPs for BR1 are G1, G2 and G3

Applicable GAAPs for GL1 are G1, G2 and G4

In such case, the system resolves the applicable GAAPs as G1 and G2 as these are common for both BR1 and GL1.

Further, system prepares the GAAP wise entries as follows:

GAAP	DR/CR	Account Branch	Account	Currency	Posting Date	Amount
G1	D	BR1	GL1	USD	1-Jan-08	10,000
G2	D	BR1	GL1	USD	1-Jan-08	10,000
G1	C	BR1	GL3	USD	1-Jan-08	10,000
G2	C	BR1	GL4	USD	1-Jan-08	10,000

6.3.2.2 Inter Branch Accounting

FGL passes inter-branch entries based on source level preferences. If external system preferences are configured in such a manner to generate inter branch entries, the system resolves the inter branch accounting setup and passes extra pairs of entries.

Example

Consider the following entries passed by the external system:

DR/CR	Account Branch	Account	Currency	Posting Date	Amount
D	BR1	GL1	USD	1-Jan-08	10,000
C	BR2	GL2	USD	1-Jan-08	10,000

Oracle FLEXCUBE general ledger will resolve the inter branch maintenance and pass extra pairs of entries to balance the books at each branch. Now, suppose that the inter branch scheme is 'DIRECT', the system will pass the following entries:

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In the books of BR1:

DR/CR	Account Branch	Account	Currency	Posting Date	Amount
D	BR1	GL1	USD	1-Jan-08	10,000
C	BR1	Due to BR2	USD	1-Jan-08	10,000

In the books of BR2:

DR/CR	Account Branch	Account	Currency	Posting Date	Amount
D	BR2	Due From BR1	USD	1-Jan-08	10,000
C	BR2	GL2	USD	1-Jan-08	10,000

If the inter branch accounting scheme is 'THRURO' or 'THRUHO', the system routes the inter branch entries through Regional Office or Head Office respectively. On such circumstances, the number of system generated entries will be more.

6.3.2.3 Position Accounting

In Oracle FLEXCUBE, you may track the currency positions by passing position entries. Position GLs are linked to FGLs using 'Chart of Accounts' screen. Each general ledger can have multiple sets of position and position equivalent GLs for different currencies. If you have not linked a position GL, the system uses the position GLs maintained on the 'Currency Maintenance' screen.

Example

Suppose that the local currency for branch BR1 is USD.

The external system passes the following entries:

DR/CR	Account Branch	Account	Currency	Posting Date	Amount
D	BR1	GL1	GBP	1-Jan-08	10,000
C	BR2	GL2	USD	1-Jan-08	8,000

Suppose that the inter branch scheme is 'DIRECT'. The system will post the entries as follows:

In the books of BR1:

DR/CR	Account Branch	Account	Currency	Posting Date	Amount
D	BR1	GL1	GBP	1-Jan-08	10,000
C	BR1	Position GL	GBP	1-Jan-08	10,000
D	BR1	Position Equivalent GL	USD	1-Jan-08	8,000
C	BR1	GL2	USD	1-Jan-08	8,000

6.3.2.4 Debit-Credit Balancing Check

You may perform a debit-credit balancing check when data is received from an external system. By default the option is enabled in FGL. However, you can modify it. The system verifies the debit-credit balances and displays an error message if it finds a mismatch.

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For each GAAP, FGL ensures the balancing of batches by branch.

6.3.2.5 Posting Date-wise Balancing Check

For data received from external systems, you can configure Oracle FLEXCUBE to check the balances by posting date. However, you need to set the configurations in the external system. Further to completion of the check, the system displays an error, in case of errors, and a warning in case of successful configuration.

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7. FGL Integration

7.1 Introduction

Oracle FLEXCUBE General Ledger, which is a standalone GL consolidated system, is for generating balance sheets. It can track Chart of Accounts and Ledger Balances of Banks and Financial Institutions.

FGL keeps the GL balance which is handed off from FCC and FCR to FGL on a daily basis as a part of EOD. During the end of day of FGL system is used for de-linking GL upload from FCR which reduces the time taken for the FCC EOD run. All the branches from FCC should be created individually in FGL and end of day is run for all the branches in FGL.

7.1.1 Propagating Static Data

The following static data maintenance are propagated to FGL from FCC

- Accounting period
- Country Code
- Bank Parameters Maintenance
- Transaction Code
- Local Holiday Calendar Maintenance
- Currency Definition
- Currency Pair Maintenance
- Currency Exchange Rates Input
- Currency Rate Type Maintenance
- Chart of Accounts Maintenance
- Reporting Line Maintenance
- Account Revaluation Setup

These Static data are propagated whenever an entry is created or existing entry is modified.

7.1.2 GL Handoff from FCC and FCR

In Oracle FLEXCUBE during the End of Day, GL entries along with MIS details are handed off to a handoff table in FCC. All the entries that are being handed-off with 'AL' as GAAP code assuming that is the only GAAP code. The NOSTRO entries are not handed off to FGL as they are handed off from FCR to FCC as well as FGL.

The entries posted to customer account here are handed off to FGL by taking the debit or credit GL for the customer account based on the debit credit indicator, instead of directly posting to the customer account. FGL does not have the customer accounts. Zero amount based entries are not handed off from here.

7.1.3 GL Data Upload to FGL

GL entries from FCC, FCR are uploaded into FGL using the batch 'IFGLBUPD' which pulls data from both FCC and FCR to FGL.

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In case of any error while uploading the GL, the data is logged into an exception data store, 'EGTB_BATCH_UPLOAD_EXCEPTION' in FGL and the batch continues with the rest of the entries. But if balancing check is enabled for the external system from which the entry is being handed off then the batch upload is terminated when the upload fails.

FGL handles necessary validations for the upload and the data is not processed for the following errors:

- If transaction date is greater than the period code end date for the current period then the entry should not be processed.
- If transaction date is greater than the application date then the entry should not be processed.
- Value date for the GL entry should not be null
- If the debit credit indication is neither D nor C then upload should fail.
- Should perform basic GL validations like:

  - Only leaf GL should be allowed for posting.
  - Inter branch GLs are not allowed for posting entries.
  - Position Or Position Equivalent GLs Are Not Allowed
  - Blocked GLs cannot be used
  - Validation on branch restriction will be done
  - Currency restriction will be validated.

During the GL Upload if the GL entries are not balanced, then a balancing entry is posted into a suspense GL. The value of this GL is maintained in a parameter table with param name as 'IFSUSPGL'. After the upload of the batch, all the entries will be moved to a history data store.

7.1.4 Nostro Upload FGL and FCC

GL upload transactions from FCR are handed off to FGL including Nostro entries for reporting consolidation. Nostro GLs are propagated to FGL from FCC along with other GLs. Nostro entries are uploaded into FCC for the Nostro position to be correct. An intraday batch is available so that the upload can happen on the next day during TI.

Nostro transactions need not be balanced in FCC. During the FCC Upload, differences are posted into "Nostro Mirror Suspense GL". The value of this suspense GL are maintained in a parameter table with param_name as 'FCC_CONTRA_NOSTRO_GL'

During FCC EOTI there is a validation for 'Nostro entries for previous day have been uploaded'.

7.1.5 BOD Transactions of FCR

For BOD transactions dependency on FCC to finish FCR transactions are removed using FGL consolidated GL system. FCR uses the same dates passed by FCC for transaction date, processing date and value date.

For FCR process till date is set as "Next Working day (NWD)". FCR accept transactions as part of FCC BOD and FCC online with value date up to this process-till-date.

FCC ensures hat future value dated transactions beyond this process-till-date are NOT passed.

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8. Reports

8.1 <u>Introduction</u>

Since Oracle FLEXCUBE General Ledger system supports the complete consolidated GL balances, you can generate the following type of reports from Oracle FLEXCUBE General Ledger.

The following types of report are available:

- Trial Balance Report
- Currency Wise Profit And Loss Report
- GL Balance Branch Report

8.1.1 <u>Generating Trial Balance Report</u>

You can generate trial balance report for a particular day, usually current day. The report provides all transaction details of that day GL-wise. You can generate report using 'Trial Balance Report' screen.

To invoke the 'Trial Balance Report' screen, type 'EGRPTBAL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.
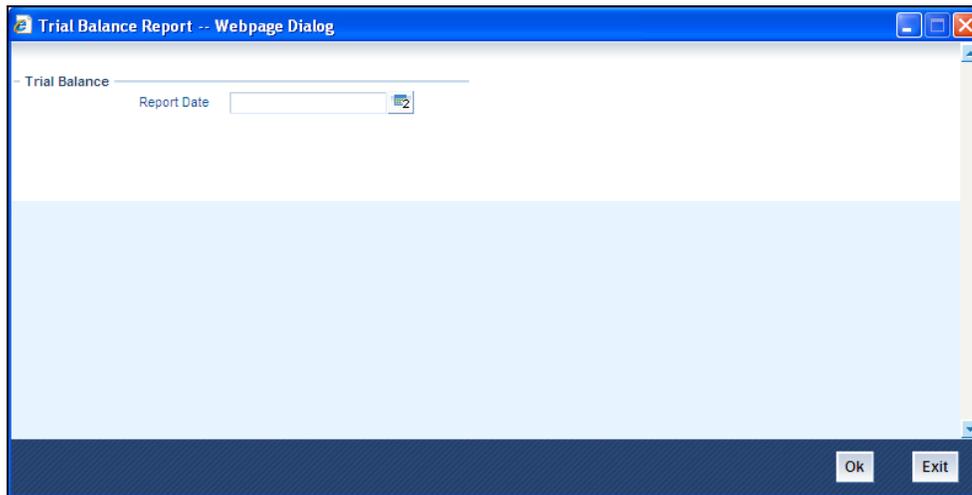
You need to specify the date to generate the trial balance report.

Report Date

Specify the date for which the trial balance details has to be generated.

Click 'Ok' to generate the report. The report gets displayed.

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Branch : CHO		Branch Date :01-SEP-2008		Page : 2	
User Id : SANDYFC		Date & Time :27-NOV-2009 13:12:30		Module : GL	

Fcy Amount	Lcy Amount	Batch No	Batch Serial No	Trn Ref No	Period Code
GL Code	111010000	Cash In Hand	**Trn Currency:**		USD
Opening Bal Transaction dtls		0.00			
	12,000.00	CHOZJRN08245000F	2		SEP
	120,000.00	CHOZJRN08245000H	1		SEP
	5,503.00	CHOZJRN08245000J	2		SEP
Curr Balance				137,503.00	
GL Code	111020000	Cash In Vlt	**Trn Currency:**		USD
Opening Bal Transaction dtls		0.00			
	12,000.00-	CHOZJRN08245000F	1		SEP
	120,000.00-	CHOZJRN08245000H	2		SEP
	15,000.00-	CHOZJRN082450001	2		SEP
	5,503.00-	CHOZJRN08245000J	1		SEP
	15,000.00	CHOZJRN082450001	1		SEP
Curr Balance				137,503.00-	
GL Code	742055041		**Trn Currency:**		USD
Opening Bal Transaction dtls		0.00			
	5,500.00-	CHOZJRN082450006	2		SEP

8.1.1.1 Header of the report

The header of the report contains the branch name for which the report is being generated, the branch date and the user id of report generation, along with the date/time.

8.1.1.2 Body of the report

The report is sorted in the alphabetic order of the GLs involved in transactions during the day. This report gives the list of transactions in any module involving the GLs.

Field	Description
GL Code	This is the GL number involved in the transactions being reported.
Account currency	This is the currency of the GL.
Fcy amount	If the account is in foreign currency, this is the transaction amount in the foreign currency.
Lcy amount	This is the equivalent of the transaction amount in local currency. The conversion is done at the rate used for the transaction.
Batch number	If the transaction being reported was a teller or journal entry, this is the batch into which the transaction was posted.
Batch Serial No	If the transaction being reported is a teller or journal entry, this is the current number of the batch that is being reported.
Transaction	This is the reference number of the transaction being reported. It will be

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Field	Description
reference number	empty for a teller or voucher entry.
Period code	The period for which the transaction is being processed.

8.1.2 Generating GL Report

You can generate GL report which lists the balance of all the GLs for the given period (financially year/period code combination). You can generate report using 'General Ledger Report' screen.

To invoke the 'Trial Balance Report' screen, type 'EGRPBALL' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.

To generate the report, you need to provide the following details.

Record Preferences

The branch of the logged in user is displayed here.

From General Ledger

Select a valid GL for which the report has to be generated from the list of GLs available.

Level

Chart of accounts can be defined up to six levels of hierarchy. Select the level for report generation from the list of hierarchy.

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GAAP Code

Select a valid GAAP code to generate the report for the selected GAAP

General Ledger MIS Break

Check this box to generate the report with MIS break-ups.

Only leaf General Ledger

Check this box to generate the report to list details of leaf GLs only.

Skip zero balances

Check this box to generate the report to skip the GLs without any balances (debit or credit).

Category

Select the category of GL for which report needs to be generated from the following types of categories listed

- Asset
- Liability
- Expense
- Income
- Contingent asset
- Contingent liability

Category groups

Select the category groups to generate the report for that group from the following options:

- Balance sheet (by selecting the category group Asset and Liability).
- Profit and loss statement (by selecting the category group Income and Expense).

Branch Consolidation

Consolidation

Check this box to indicate that the report should be consolidated across branches as per the reporting structure defined at the branch. Consolidation is done based the financial cycle and period code selected.

History Reports

Past period

Check this box to indicate that the report should be generated for a past period

Financial year

Select the Financial Year for which the report has to be generated.

Period code

Select the period for which the report should be generated.

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Click 'Ok' to generate the report. The report gets displayed.

8.1.2.1 Header of the report

The report options that are selected while generating the report are printed at the beginning of the report.

8.1.2.2 Body of the report

The report is sorted on the GL/MIS code.

Field	Description
GL/MIS Code	This is the code that identifies the GL.
Description	This is the description of the GL.
Debit balance	This is the debit balance in the GL that is being reported, in the local currency.
Credit balance	This is the credit balance in the GL that is being reported, in the local currency.
Euro Debit balance	Euro equivalent of the debit balance is shown
Euro Credit balance	Euro equivalent of the credit balance is shown

Debit and credit totals will be provided for all categories of GL.

The report furnishes the GL balance in local currency only. If foreign currency transactions are contributed to the balance in a GL, the local currency equivalent would be arrived at using the exchange rate applicable to the transaction that updated the GL.

8.1.3 <u>Generating Profit and Loss Currency Wise Report</u>

You can generate multi-currency profit and loss report. The report provides the latest balances in the income and expense GLs. Debit and credit totals are provided for all categories of GL. You can generate report using 'Profit and Loss Currency Wise' screen.

To invoke the 'Trial Balance Report' screen, type 'GLRPGLCY' in the field at the top right corner of the Application tool bar and click the adjoining arrow button.
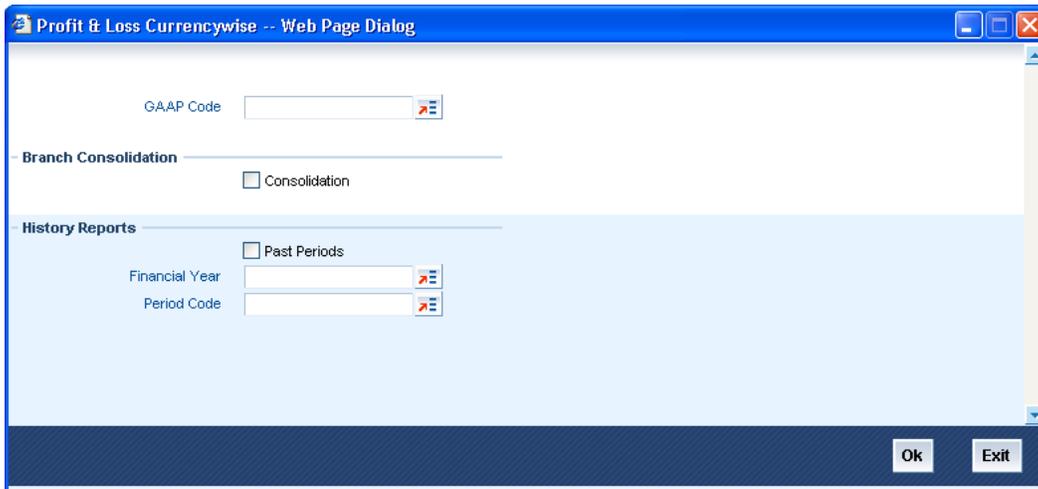
The report can be generated for the following options.

GAAP Code

Select a valid GAAP code to generate the report for the GAAP

<u>Branch Consolidation</u>

Consolidation

Check this box to indicate that the generated report should be consolidated across the branches in the reporting structure defined for the branch.

<u>History Report</u>

Past period

Check this box to generate the report for past period.

Financial year

Select the Financial Year for which the report has to be generated.

Period code

Select the period code for generating the report for a period in the past.

Click 'Ok' to generate the report. The report gets displayed.

PROFIT AND LOSS CURRENCYWISE REPORT

Consolidation :		N			
Financial Year/ Period Code :	FY2008/SEP		Period Closed:	N	
Branch:	CHO		Branch Date :	01-SEP-2008	Page : 3
UserId :	JP22		Date & Time :	03-DEC-2009 11:12:04	Module: EG

GL/CCY Code	Description	Dr Balance	Cr Balance	EURO Dr Balance	EURO Cr Balance
996242600	Reports GL				
INR	INDIAN RUPEE	180,000.00	0.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
996242601	Reports GL				
INR	INDIAN RUPEE	180,000.00	0.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
996242602	Reports GL				
INR	INDIAN RUPEE	180,000.00	0.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
996242603	Reports GL				
INR	INDIAN RUPEE	180,000.00	0.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
SUM OF BALANCES		**180,000.00**	**0.00**		**0**
996242604	Reports GL				
INR	INDIAN RUPEE	0.00	180,000.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
996242606	Reports GL				
INR	INDIAN RUPEE	0.00	180,000.00	0.00	0.00
USD	U.S.DOLLAR	0.00	0.00	0.00	0.00
996242607	Reports GL				

8.1.3.1 Header of the report

The report options that are selected while generating the report are printed at the beginning of the report.

8.1.3.2 Body of the report

Field	Description
CCY/GL Code	This is the currency for which the balances are being reported. The GL Code is the GL for which the balances are being reported. When the contributions from contracts in a foreign currency are reported, the local currency equivalent of the amounts is also shown. The conversion rate would be the one that was used for the transaction.
Description	This is the description of the GL Code for which the balances are reported.
Debit balance	For an expense GL, the debit balance will be reported in foreign currency, followed by the local currency equivalent of the amount. The conversion rate would be the one used for the transaction

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Field	Description
Euro Debit Balance	Euro equivalent of the debit balance is shown
Credit balance	For an income GL, the credit balance will be reported in foreign currency, followed by the local currency equivalent of the amount. The conversion rate would be the one used for the transaction.
Euro Credit Balance	Euro equivalent of the credit balance is shown

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